Filed Pursuant to Rule 433
Registration No. 333-133852

Subject to Completion
Preliminary Term Sheet dated February 26, 2009

Units
***STEP** Income **S**ecurities®*
Linked to the Russell 2000® Index, due April , 2010
$10 principal offering amount per unit
Term Sheet No.

*Expected Pricing Date**	*March , 2009*
*Settlement Date**	*April , 2009*
*Maturity Date**	*April , 2010*
CUSIP No.	

STEP Income **S**ecurities®

- *Interest paid quarterly at the rate of between 7% and 9% per year*
- *Potential Step Payment of 3% at maturity if the closing level of the Russell 2000® Index on the Valuation Date is greater than or equal to the Step Level, which will be between 107% and 109% of the Starting Value*
- *A maturity of approximately one year and one week*
- *1-to-1 downside loss if the closing level of the Russell 2000® Index on the Valuation Date decreases below a Threshold Value with up to 90% of the principal amount at risk at maturity*
- *Application may be made to list on NYSE Arca under the symbol "RIH"*
- *This debt is **not** guaranteed under the Federal Deposit Insurance Corporation's Temporary Liquidity Guarantee Program*

STRUCTURED INVESTMENTS
PRINCIPAL PROTECTION
ENHANCED INCOME
MARKET PARTICIPATION
ENHANCED PARTICIPATION

Bank of America

The notes are being offered by Bank of America Corporation ("BAC"). The notes will have the terms specified in this term sheet as supplemented by the documents indicated herein under "Additional Terms" (together the "Note Prospectus"). Investing in the notes involves a number of risks. **See "Risk Factors" on page TS-6 of this term sheet and beginning on page S-10 of product supplement STEPS-1.**

Unless otherwise indicated or unless the context requires otherwise, all references in this document to "we," "us," "our," or similar references are to BAC. References to "MLPF&S" are to Merrill Lynch, Pierce, Fenner & Smith Incorporated.

In connection with this offering, each of MLPF&S and its broker-dealer affiliate First Republic Securities Company, LLC is acting in its capacity as a principal.

None of the Securities and Exchange Commission (the "SEC"), any state securities commission, or any other regulatory body has approved or disapproved of these securities or determined if this Note Prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Unit	Total
Public offering price (1)	$10.000	$
Underwriting discount (1)	$.175	$
Proceeds, before expenses, to Bank of America Corporation	$9.825	$

(1) The public offering price and underwriting discount for any purchase of 500,000 or more units in a single transaction by an individual investor will be $9.950 per unit and $.125 per unit, respectively.

*Depending on the date the notes are priced for initial sale to the public (the "pricing date"), which may be in March or April 2009, the settlement date may occur in March or April 2009, the maturity date may occur in March or April 2010 and the interest payment dates and Valuation Date may be adjusted accordingly. Any reference in this term sheet to the month in which the pricing date, settlement date, maturity date, interest payment dates, or Valuation Date will occur is subject to change as specified above.

"**STEP** Income **S**ecurities®" and "STEPS®" are registered service marks of our subsidiary, Merrill Lynch & Co., Inc.

The Russell 2000® Index is a trademark of Russell Investment Group and has been licensed for use by our subsidiary, MLPF&S, and its affiliates, including us. The notes are not sponsored, endorsed, sold, or promoted by Russell Investment Group and Russell Investment Group makes no representation regarding the advisability of investing in the notes.

Merrill Lynch & Co.

March , 2009

Summary

The **STEP** Income **S**ecurities® Linked to the Russell 2000® Index, due April , 2010 (the "notes"), are our senior unsecured debt securities and are not guaranteed or insured by the Federal Deposit Insurance Corporation or secured by collateral. The notes will rank equally with all of our other unsecured and unsubordinated debt, and any payments due on the notes, including any repayment of principal, will be subject to the credit risk of BAC. The notes provide quarterly interest payments and, if the Ending Value of the Russell 2000® Index (the "Index") on the Valuation Date is at or above the Step Level, an additional payment per unit at maturity (the "Step Payment"). If the Ending Value of the Index on the Valuation Date is less than the Step Level, the amount you will receive on the maturity date (the "Redemption Amount") will not be greater than the Original Offering Price per unit and will be based on the direction of and percentage change in the level of the Index from the Starting Value, as determined on the pricing date, to the Ending Value, as determined on the Valuation Date. Investors must be willing to accept a repayment that may be less, and potentially significantly less, than the Original Offering Price of the notes. Investors also must be willing to accept that no Step Payment will be payable on the maturity date if the closing level of the Index is below the Step Level and be willing to lose a portion of their principal if the Ending Value is below the Threshold Value.

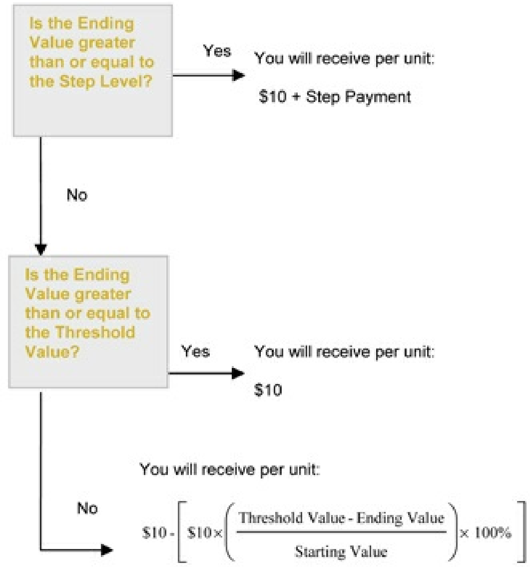
Capitalized terms used but not defined in this term sheet have the meanings set forth in the product supplement STEPS-1.

Terms of the Notes

Issuer:	Bank of America Corporation ("BAC")
Original Offering Price:	$10 per unit
Term:	Approximately one year and one week
Market Measure:	Russell 2000® Index (Index Symbol: "RTY").
Starting Value:	The closing level of the Index on the pricing date.
Ending Value:	The closing level of the Index on the Valuation Date.
Valuation Date:	The fifth scheduled Market Measure Business Day immediately prior to the maturity date, determined as of the pricing date and set forth in the final term sheet that will be made available in connection with sales of the notes, subject to postponement as described in product supplement STEPS-1.
Interest:	The notes will bear interest at a rate of between 7% and 9% of the Original Offering Price per year per unit. The actual interest rate will be determined on the pricing date and will be set forth in the final term sheet made available in connection with the sale of the notes. We will pay interest on the notes quarterly in cash in arrears on July , 2009, October , 2009, January , 2010, and April , 2010. Interest will be computed on the basis of a 360-day year of twelve 30-day months.
Step Payment:	If the Ending Value of the notes is greater than or equal to the Step Level, you will receive an additional payment at Maturity equal to 3% of the Original Offering Price per unit (or $0.30 per unit).
Step Level:	107% to 109% of the Starting Value (rounded to two decimal places). The actual Step Level will be determined on the pricing date and will be set forth in the final term sheet made available in connection with the sale of the notes.
Threshold Value:	90% of the Starting Value (rounded to two decimal places)
Downside Leverage Factor:	100%
Calculation Agent:	MLPF&S, a subsidiary of BAC

Determining the Redemption Amount for the Notes

In addition to interest payable, on the maturity date you will receive the Redemption Amount, a payment per unit calculated as follows:



In this case, you will receive a payment that is less, and possibly significantly less, than the $10 Original Offering Price per unit.

Hypothetical Payments

Set forth below are four **hypothetical** examples of payment calculations related to the notes. These examples have been prepared for purposes of illustration only. Your actual return will depend on the actual Starting Value, Ending Value, Step Level, interest rate, and the term of your investment. These examples assume:

1) The **hypothetical** Starting Value of 394.58, which was the closing level of the Index on February 23, 2009;

2) The **hypothetical** Threshold Value of 355.12 (equal to 90% of the **hypothetical** Starting Value, rounded to two decimal places);

3) The **hypothetical** Step Level of 426.15 (equal to 108% of the **hypothetical** Starting Value, the midpoint of the range of 107% and 109%, rounded to two decimal places);

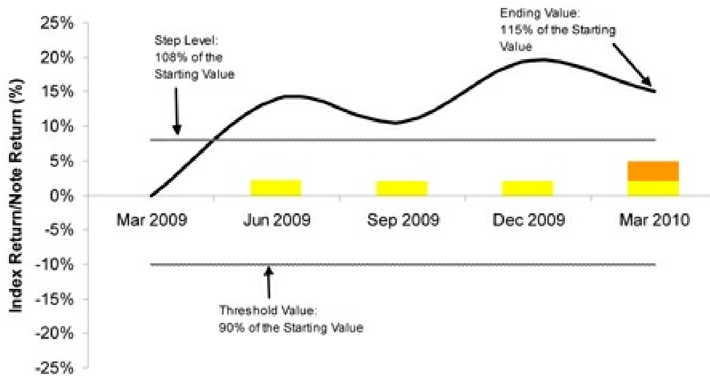
4) A Step Payment equal to 3% of the $10 Original Offering Price per unit if the **hypothetical** Ending Value is greater than or equal to the **hypothetical** Step Level;

5) A term of the notes from March 2, 2009 to March 9, 2010, a term expected to be similar to that of the notes; and

6) Interest payable quarterly in arrears at a **hypothetical** rate of 8% of the $10 Original Offering Price per unit per annum, the midpoint of the interest rate range of 7% and 9%.

Example 1
*The **hypothetical** Ending Value is 453.77 (115% of the **hypothetical** Starting Value)*

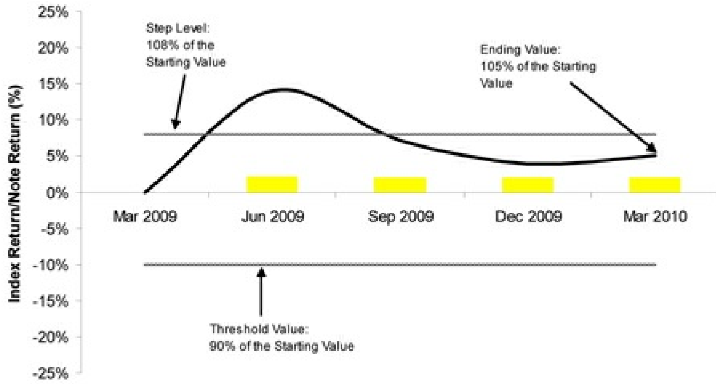
The **hypothetical** Ending Value of the Index is greater than the **hypothetical** Step Level. Consequently, in addition to the quarterly interest payments (represented in yellow below), you will receive on the maturity date the Step Payment (represented in orange below). The Redemption Amount per unit on the maturity date will therefore be equal to $10.30 ($10.00 plus the Step Payment).



Example 2

*The **hypothetical** Ending Value is 414.31 (105% of the **hypothetical** Starting Value)*

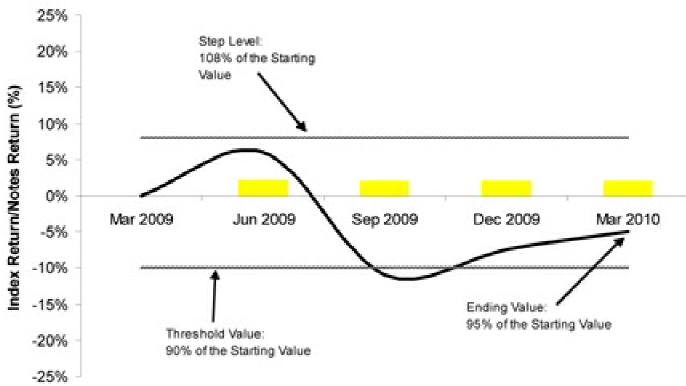
The **hypothetical** Ending Value of the Index is greater than the **hypothetical** Starting Value but below the **hypothetical** Step Level. Consequently, you will receive the quarterly interest payments (represented in yellow below), but not the Step Payment. The Redemption Amount per unit on the maturity date will therefore be equal to $10.00.



Example 3

*The **hypothetical** Ending Value is 374.85 (95% of the **hypothetical** Starting Value)*

The **hypothetical** Ending Value of the Index is less than the **hypothetical** Starting Value but above the **hypothetical** Threshold Value. Consequently, you will receive the quarterly interest payments (represented in yellow below), but not the Step Payment. Because the **hypothetical** Ending Value is not below the **hypothetical** Threshold Value, the Redemption Amount per unit on the Maturity Date will be equal to $10.00.



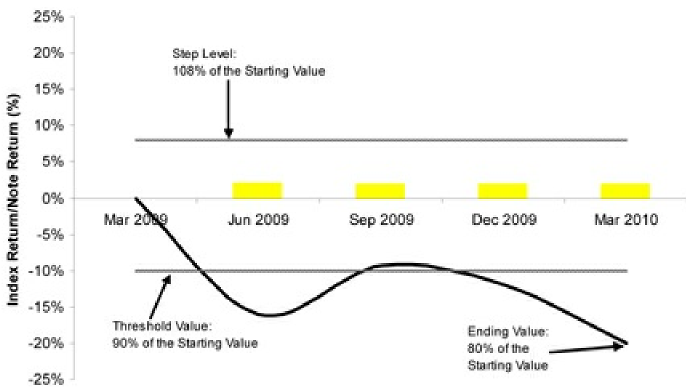
Example 4

*The **hypothetical** Ending Value is 315.66 (80% of the **hypothetical** Starting Value)*

The **hypothetical** Ending Value of the Index is less than the **hypothetical** Threshold Value. Consequently, you will receive only the quarterly interest payments (represented in yellow below). You will not receive the Step Payment, and you will participate in the decrease of the Index in excess of the **hypothetical** Threshold Value. The Redemption Amount per unit will equal:

$$\$10 - \left(\$10 \times \left(\frac{355.12 - 315.66}{394.58} \right) \times 100\% \right) = \$9.00$$

On the maturity date, you will receive the Redemption Amount per unit of $9.00.



Summary of the Hypothetical Examples	**Example 1**	**Example 2**
The hypothetical Ending Value is greater than or equal to the hypothetical Starting Value and...	**...the hypothetical Ending Value is greater than or equal to the hypothetical Step Level**	**...the hypothetical Ending Value is less than the hypothetical Step Level**
Hypothetical Starting Value	394.58	394.58
Hypothetical Ending Value	453.77	414.31
Hypothetical Step Level	426.15	426.15
Hypothetical Threshold Value	355.12	355.12
Hypothetical Interest Rate (per annum)	8.00%	8.00%
Step Payment	3.00%	0.00%
Redemption Amount per Unit	$10.30	$10.00
Total Return of the Index(1)	17.90%	7.90%
Total Return on the Notes(2)	11.16%	8.16%

Summary of the Hypothetical Examples	**Example 3**	**Example 4**
The hypothetical Ending Value is less than the hypothetical Starting Value and...	**...the hypothetical Ending Value is greater than or equal to the hypothetical Threshold Value**	**...the hypothetical Ending Value is less than the hypothetical Threshold Value**
Hypothetical Starting Value	394.58	394.58
Hypothetical Ending Value	374.85	315.66
Hypothetical Step Level	426.15	426.15
Hypothetical Threshold Value	355.12	355.12
Hypothetical Interest Rate (per annum)	8.00%	8.00%
Step Payment	0.00%	0.00%
Redemption Amount per Unit	$10.00	$9.00
Total Return of the Index(1)	-2.10%	-17.10%
Total Return on the Notes(2)	8.16%	-1.84%

(1) The total return of the Index assumes:

- (a) a percentage change in the level of the Index that equals the percentage change in the level of the Index from the **hypothetical** Starting Value to the **hypothetical** Ending Value;
- (b) a constant dividend yield of 2.84% per annum, the dividend yield as reported by Bloomberg L.P. on February 23, 2009; and
- (c) no transaction fees or expenses.

(2) The total return on the notes includes interest paid on the notes and assumes a term of the notes from March 2, 2009 to March 9, 2010, a term expected to be similar to that of the notes.

Risk Factors

An investment in the notes involves significant risks. The following is a list of certain of the risks involved in investing in the notes. You should carefully review the more detailed explanation of risks relating to the notes in the “Risk Factors” sections included in product supplement STEPS-1 and MTN prospectus supplement identified below under “Additional Terms”. We also urge you to consult your investment, legal, tax, accounting, and other advisors before you invest in the notes.

- Your investment may result in a loss; there is no guaranteed return of principal.
- You will not receive a Step Payment at maturity unless the Ending Value is greater than or equal to the Step Level on the Valuation Date.
- Your return, if any, is limited to the return represented by the periodic interest payments over the term of the notes and the Step Payment, if any.
- Your yield may be less than the yield on a conventional debt security of comparable maturity.
- Your investment return may be less than a comparable investment directly in the stocks included in the Index.
- You must rely on your own evaluation of the merits of an investment linked to the Index.
- In seeking to provide you with what we believe to be commercially reasonable terms for the notes while providing MLPF&S or any other selling agents with compensation for their services, we have considered the costs of developing, hedging, and distributing the notes.
- We cannot assure you that a trading market for your notes will ever develop or be maintained.
- The Redemption Amount will not be affected by all developments relating to the Index.
- Russell Investment Group may adjust the Index in a way that affects its level, and Russell Investment Group has no obligation to consider your interests.
- You will have no rights as a holder of the securities represented by the Index, and you will not be entitled to receive any of those securities or dividends or other distributions by the issuers of those securities.
- We do not control any company included in the Index, and are not responsible for any disclosure made by any other company.
- If you attempt to sell notes prior to maturity, their market value, if any, will be affected by various factors that interrelate in complex ways, and their market value may be less than their Original Offering Price.
- Payments on the notes are subject to our credit risk, and changes in our credit ratings are expected to affect the value of the notes.
- Purchases and sales by us and our affiliates may affect your return.
- Our trading and hedging activities may create conflicts of interest with you.
- Our hedging activities may affect your return on the notes and their market value.
- Our business activities relating to the companies represented by the Index may create conflicts of interest with you.
- There may be potential conflicts of interest involving the calculation agent. We have the right to appoint and remove the calculation agent.
- The U.S. federal income tax consequences of the notes are uncertain, and may be adverse to a holder of the notes. See “Certain U.S. Federal Income Taxation Considerations” below.

Investor Considerations

You may wish to consider an investment in the notes if:

- You anticipate that the closing level of the Index on the Valuation Date will be greater than or equal to the Step Level.
- You seek interest payments on your investment.
- You are willing to accept that the maximum return on the notes is limited to the sum of the quarterly interest payments and the Step Payment, if any.
- You accept that your investment may result in a loss, which could be significant, if the closing level of the Index decreases below the Threshold Value from the Starting Value to the Ending Value.
- You want exposure to the Index with no expectation of dividends or other benefits of owning the stocks included in the Index.
- You are willing to accept that there is no assurance that the notes will be listed or remain listed on NYSE Arca. You understand that any listing does not ensure that a trading market will develop for the notes or that there will be liquidity in any trading market. You understand that secondary market prices for the notes, if any, will be affected by various, including our perceived creditworthiness.

The notes may not be an appropriate investment for you if:

- You anticipate that the level of the Index will depreciate from the Starting Value to the Ending Value, or that the level of the Index will appreciate from the Starting Value to the Ending Value, but will not reach the Step Level.
- You anticipate that the level of the Index will appreciate substantially from the Starting Value to the Ending Value and do not want a payment at maturity that is limited to the Step Payment.
- You are seeking principal protection or preservation of capital.
- In addition to interest payments, you seek an additional guaranteed return at a premium above the principal amount of the notes.
- You want to receive dividends or other distributions paid on the stocks included in the Index.
- You want assurances that there will be a liquid market if and when you want to sell the notes prior to maturity.

Other Provisions

We may deliver the notes against payment therefor in New York, New York on a date that is more than three business days following the pricing date. Under Rule 15c6-1 of the Securities Exchange Act of 1934, trades in the secondary market generally are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, if the initial settlement on the notes occurs more than three business days from the pricing date, purchasers who wish to trade notes more than three business days prior to the original issue date will be required to specify alternative settlement arrangements to prevent a failed settlement.

If you place an order to purchase these offered securities, you are consenting to each of MLPF&S and its broker-dealer affiliate First Republic Securities Company, LLC acting as a principal in effecting the transaction for your account. MLPF&S is acting as an underwriter and/or selling agent for this offering and will receive underwriting compensation from BAC.

Supplement to the Plan of Distribution

MLPF&S and First Republic Securities Company, LLC, each a broker-dealer subsidiary of BAC, are members of the Financial Industry Regulatory Authority, Inc. (formerly the National Association of Securities Dealers, Inc. (the "NASD")) and will participate in the distribution of the notes. Accordingly, offerings of the notes will conform to the requirements of NASD Rule 2720. In the original offering of the notes, the notes will be sold in the minimum investment amounts of 100 units.

MLPF&S and First Republic Securities Company, LLC may use this Note Prospectus for offers and sales in secondary market transactions and market-making transactions in the notes but are not obligated to engage in such secondary market transactions and/or market-making transactions. MLPF&S and First Republic Securities Company, LLC may act as principal or agent in these transactions, and any such sales will be made at prices related to prevailing market prices at the time of the sale.

The Index

Russell Investment Group ("Russell") began dissemination of the Index (Bloomberg L.P. index symbol "RTY") on January 1, 1984 and calculates and publishes the Index. The Index was set to 135 as of the close of business on December 31, 1986. The Index measures the composite price performance of stocks of 2,000 companies which are either incorporated in the United States or its territories, or are eligible for inclusion as a BDI (as defined below). All 2,000 stocks are traded on a major U.S. exchange and form a part of the Russell 3000® Index. The Russell 3000® Index is composed of the 3,000 largest companies either incorporated in the United States or its territories, or companies eligible for inclusion as a BDI, as determined by market capitalization. The Index consists of the smallest 2,000 companies included in the Russell 3000® Index. The Index is designed to track the performance of the small capitalization segment of the United States equity market. The Index is determined, comprised, and calculated by Russell without regard to the notes.

The Index does not reflect the payment of dividends on the stocks included in the Index. Because of this, the calculation of the Ending Value will not reflect the payment of dividends on these stocks that investors would receive if they were to purchase these stocks and hold them for a period equal to the term of the notes.

All disclosure contained in this term sheet regarding the Index, including, without limitation, its make-up, method of calculation, and changes in its components, has been derived from publicly available sources. The information reflects the policies of Russell as stated in these sources, and these policies are subject to change at the discretion of Russell. None of BAC, the calculation agent, or MLPF&S accepts any responsibility for the calculation, maintenance, or publication of the Index or any successor index.

Selection of Stocks Underlying the Index

Companies incorporated in the United States and its territories are eligible for inclusion in the Russell 3000 ® Index and the Index. Beginning during reconstitution 2007, companies incorporated in the following countries or regions are also reviewed for eligibility for inclusion: Anguilla, Antigua and Barbuda, Bahamas, Barbados, Belize, Bermuda, British Virgin Islands, Cayman Islands, Channel Islands, Cook Islands, Faroe Islands, Gibraltar, Isle of Man, Liberia, Marshall Islands, Netherlands Antilles, Panama (added at reconstitution in 2007), and Turks and Caicos Islands. Companies incorporated in these regions are considered Benefit Driven Incorporation ("BDI") companies because they typically incorporate in these BDI regions for operations, tax, political, or other financial market benefits. However, not all companies incorporated in these BDI regions are eligible for inclusion in the Russell 3000® Index and the Index. Companies incorporated in these BDI regions must also meet one of the following criteria in order to be considered eligible: (i) the company has its headquarters in the U.S. or (ii) the company's headquarters is also in a BDI-designated region or country and the primary exchange for local shares is in the U.S. For new companies located in the BDI regions eligible for inclusion in the Russell 3000® Index and the Index and that trade on multiple exchanges, the determination of the company's primary exchange is based on the average daily dollar trading value ("ADDTV"), which is the accumulated dollar trading volume divided by the actual number of trading days in the past year. ADDTV is assessed only for new companies entering the U.S. indices. Existing members remain assigned to their primary U.S. exchange until the time when the ADDTV is higher in another country's exchange for the previous two consecutive years. If this occurs, the company is removed from the U.S. and moved to the country with the highest exchange volume. However, the primary exchange is a factor for inclusion only if both its incorporation and its headquarters are in a BDI region or if multiple headquarters are listed in the SEC filings. If the company is primarily headquartered in a country other than the U.S. or the BDI regions, it is not eligible for inclusion regardless of the location of the primary exchange. Headquarters and primary exchanges will be analyzed once a year during reconstitution unless the security is delisted from the U.S. exchange.

All securities eligible for inclusion in the Russell 3000 ® Index and the Index must trade on a major U.S. exchange. Bulletin board, pink-sheets, and over-the-counter (OTC) traded securities are not eligible for inclusion. Stocks must trade at or above $1.00 on their primary exchange on the last trading day in May to be eligible for inclusion during annual reconstitution or during the initial public offering eligibility periods. However, if a stock falls below $1.00 intra-year, it will not be removed until the next annual reconstitution, provided it is still trading below $1.00 at that time. Any other form of shares, such as preferred stock, convertible preferred stock, redeemable shares, participating preferred stock, warrants and rights, and trust receipts, are also excluded. Royalty trusts, limited liability companies, closed-end investment companies (business development companies are eligible), blank check companies, special purpose acquisition companies, and limited partnerships are also ineligible for inclusion. In addition, Berkshire Hathaway is excluded as a special exception due to its similarity to a mutual fund and lack of liquidity. In general, only one class of common stock of a company is eligible for inclusion in the Russell 3000® Index, although exceptions to this general rule have been made where Russell has determined that each class of common stock acts independent of the other.

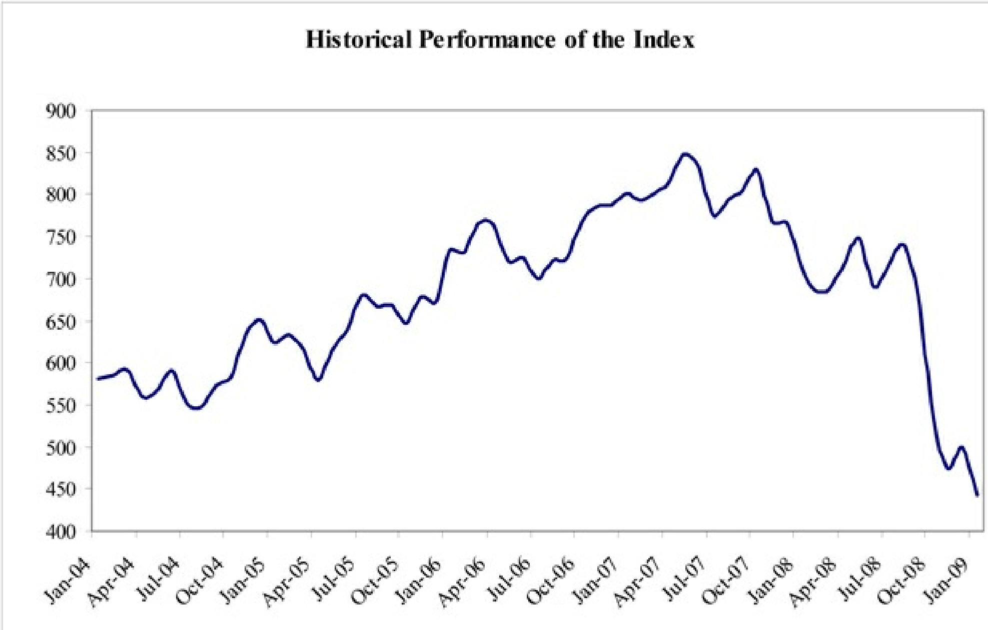
The primary criteria used to determine the list of securities eligible for the Russell 3000 ® Index is total market capitalization, which is defined as the market price as of May 31st of the common shares times the total number of common shares outstanding. Only common stock is used to determine market capitalization; any other form of shares such as preferred stock, convertible preferred stock, redeemable shares, participating preferred stock, warrants and rights or trust receipts, are excluded from the calculation. Based on closing levels of the company's common stock on its primary exchange on May 31st of each year, Russell reconstitutes the composition of the Russell 3000® Index using the then existing market capitalizations of eligible companies. Reconstitution of the Russell 3000 ® Index occurs on the last Friday in June or, when the last Friday in June is the 28th, 29th, or 30th, reconstitution occurs on the prior Friday. In addition, since September 2004, Russell has added initial public offerings to the Russell 3000 ® Index on a quarterly basis based on market capitalization guidelines established during the most recent reconstitution.

After membership is determined, a security's shares are adjusted to include only those shares available to the public. This is often referred to as "free float." The purpose of the adjustment is to exclude from market calculations the capitalization that is not available for purchase and is not part of the investable opportunity set.

As a capitalization-weighted index, the Index reflects changes in the capitalization, or market value, of the component stocks relative to the capitalization on a base date. The current Index level is calculated by adding the market values of the Index's component stocks, which are derived by multiplying the price of each stock by the number of shares outstanding, to arrive at the total market capitalization of the 2,000 stocks. The total market capitalization is then divided by a divisor, which represents the "adjusted" capitalization of the Index on the base date of December 31, 1986. To calculate the Index, closing prices will be used for exchange-traded and Nasdaq stocks. If a component stock is not open for trading, the most recently traded price for that security will be used in calculating the Index. In order to provide continuity for the Index's level, the divisor is adjusted periodically to reflect events including changes in the number of common shares outstanding for component stocks, company additions or deletions, corporate restructurings, and other capitalization changes.

Neither we nor MLPF&S accepts any responsibility for the calculation, maintenance, or publication of the Index or any successor index. Russell disclaims all responsibility to holders of notes for any errors or omissions in the calculation and dissemination of the Index or the manner in which the Index is applied in determining any Starting Value or Ending Value or any amount payable to you on the maturity date of the notes.

The following graph sets forth the monthly historical performance of the Index in the period from January 2004 through January 2009. This historical data on the Index is not necessarily indicative of the future performance of the Index or what the value of the notes may be. Any historical upward or downward trend in the level of the Index during any period set forth below is not an indication that the Index is more or less likely to increase or decrease at any time over the term of the notes. On February 23, 2009, the closing level of the Index was 394.58.



Before investing in the notes, you should consult publicly available sources for the values and trading pattern of the Index. The generally unsettled international environment and related uncertainties, including the risk of terrorism, may result in financial markets generally and the Index exhibiting greater volatility than in earlier periods.

License Agreement

Russell and MLPF&S have entered into a non-exclusive license agreement providing for the license to MLPF&S and its affiliates, including us, in exchange for a fee, of the right to use indices owned and published by Russell in connection with some securities, including the notes. The license agreement provides that the following language must be stated in this term sheet:

The notes are not sponsored, endorsed, sold, or promoted by Russell. Russell makes no representation or warranty, express or implied, to the holders of the notes or any member of the public regarding the advisability of investing in securities generally or in the notes particularly or the ability of the Index to track general stock market performance or a segment of the same. Russell's publication of the Index in no way suggests or implies an opinion by Russell as to the advisability of investment in any or all of the securities upon which the Index is based. Russell's only relationship to MLPF&S and to us is the licensing of certain trademarks and trade names of Russell and of the Index, which is determined, composed, and calculated by Russell without regard to MLPF&S, us, or the notes. Russell is not responsible for and has not reviewed the notes nor any associated literature or publications and Russell makes no representation or warranty express or implied as to their accuracy or completeness, or otherwise. Russell reserves the right, at any time and without notice, to alter, amend, terminate, or in any way change the Index. Russell has no obligation or liability in connection with the administration, marketing, or trading of the notes.

RUSSELL DOES NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF THE INDEX OR ANY DATA INCLUDED THEREIN AND RUSSELL SHALL HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS THEREIN. RUSSELL MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY MLPF&S, US, HOLDERS OF THE NOTES, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE INDEX OR ANY DATA INCLUDED THEREIN. RUSSELL MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE INDEX OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL RUSSELL HAVE ANY LIABILITY FOR ANY SPECIAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

Summary Tax Consequences

You should consider the U.S. federal income tax consequences of an investment in the notes, including the following:

- You agree with us (in the absence of an administrative determination, or judicial ruling to the contrary) to characterize and treat the notes for all tax purposes as an income-bearing single financial contract linked to the Index that requires you to pay us at inception an amount equal to the purchase price of the notes and that entitles you to receive the stated periodic interest payments as well as, at maturity, an amount in cash linked to the value of the Index.
- Under this characterization and tax treatment of the notes, we intend to take the position that the stated periodic interest payments constitute taxable ordinary income to you, and, upon receipt of a cash payment at maturity or upon a sale or exchange of the notes prior to maturity (other than amounts representing accrued stated periodic interest payments), you generally will recognize capital gain or loss. This capital gain or loss generally will be long-term capital gain or loss if you hold the notes for more than one year.

Certain U.S. Federal Income Taxation Considerations

Set forth below is a summary of certain U.S. federal income tax considerations relating to an investment in the notes. The following summary is not complete and is qualified in its entirety by the discussion under the section entitled "U.S. Federal Income Tax Summary" in product supplement STEPS-1, which you should carefully review prior to investing in the notes.

General. Although there is no statutory, judicial, or administrative authority directly addressing the characterization of the notes, we intend to treat the notes for all tax purposes as an income-bearing single financial contract linked to the Index that requires you to pay us at inception an amount equal to the purchase price of the notes and that entitles you to receive the stated periodic interest payments as well as, at maturity, an amount in cash linked to the value of the Index. Under the terms of the notes, we and every investor in the notes agree, in the absence of an administrative determination or judicial ruling to the contrary, to treat the notes as described in the preceding sentence. This discussion assumes that the notes constitute an income-bearing single financial contract linked to the Index for U.S. federal income tax purposes. If the notes did not constitute an income-bearing single financial contract, the tax consequences described below would be materially different.

This characterization of the notes is not binding on the Internal Revenue Service ("IRS") or the courts. No statutory, judicial, or administrative authority directly addresses the characterization of the notes or any similar instruments for U.S. federal income tax purposes, and no ruling is being requested from the IRS with respect to their proper characterization and treatment. Due to the absence of authorities on point, significant aspects of the U.S. federal income tax consequences of an investment in the notes are not certain, and no assurance can be given that the IRS or any court will agree with the characterization and tax treatment described in product supplement STEPS-1. Accordingly, you are urged to consult your tax advisor regarding all aspects of the U.S. federal income tax consequences of an investment in the notes, including possible alternative characterizations. The discussion in this section and in the section entitled "U.S. Federal Income Tax Summary" in product supplement STEPS-1 assume that there is a significant possibility of a significant loss of principal on an investment in the notes.

Stated Periodic Interest Payments. Although the U.S. federal income tax treatment of the stated periodic interest payments on the notes is uncertain, we intend to take the position, and this discussion assumes, that the stated periodic interest payments constitute taxable ordinary income to a U.S. Holder (as defined in product supplement STEPS-1) at the time received or accrued in accordance with the U.S. Holder's regular method of accounting.

Settlement at Maturity or Sale or Exchange Prior to Maturity. Assuming that the notes are properly characterized and treated as income-bearing single financial contracts linked to the Index for U.S. federal income tax purposes, upon receipt of a cash payment at maturity or upon a sale or exchange of the notes prior to maturity, a U.S. Holder generally will recognize capital gain or loss equal to the difference between the amount realized (other than amounts representing accrued stated periodic interest payments, which would be taxed as described above under "– Stated Periodic Interest Payments") and the U.S. Holder's basis in the notes. This capital gain or loss generally will be long-term capital gain or loss if the U.S. Holder holds the notes for more than one year. The deductibility of capital losses is subject to limitations.

Possible Future Tax Law Changes. On December 7, 2007, the IRS released Notice 2008-2 ("Notice") seeking comments from the public on the taxation of financial instruments currently taxed as "prepaid forward contracts." The scope of the Notice may extend to instruments similar to the notes. According to the Notice, the IRS and Treasury are considering whether a holder of such instruments should be required to accrue ordinary income on a current basis, regardless of whether any payments are made prior to maturity. It is not possible to determine what guidance the IRS and Treasury will ultimately issue, if any. Any such future guidance may affect the amount, timing, and character of income, gain, or loss in respect of the notes, possibly with retroactive effect. The IRS and Treasury are also considering additional issues, including whether additional gain or loss from such instruments should be treated as ordinary or capital, whether foreign holders of such instruments should be subject to withholding tax on any deemed income accruals, whether Section 1260 of the Internal Revenue Code of 1986, as amended, concerning certain "constructive ownership transactions," generally applies or should generally apply to such instruments, and whether any of these determinations depend on the nature of the underlying asset. We urge you to consult your own tax advisors concerning the impact and the significance of the above considerations. We intend to continue treating the notes for U.S. federal income tax purposes in the manner described herein unless and until such time as we determine, or the IRS or Treasury determines, that some other treatment is more appropriate.

You should consult your own tax advisor concerning the U.S. federal income tax consequences to you of acquiring, owning, and disposing of the notes, as well as any tax consequences arising under the laws of any state, local, foreign, or other tax jurisdiction and the possible effects of changes in U.S. federal or other tax laws. See the discussion under the section entitled "U.S. Federal Income Tax Summary" in product supplement STEPS-1.

Additional Terms

You should read this term sheet, together with the documents listed below, which together contain the terms of the notes and supersede all prior or contemporaneous oral statements as well as any other written materials. You should carefully consider, among other things, the matters set forth under "Risk Factors" in the sections indicated on the cover of this term sheet. The notes involve risks not associated with conventional debt securities. We urge you to consult your investment, legal, tax, accounting, and other advisors before you invest in the notes.

You may access the following documents on the SEC Website at www.sec.gov as follows (or if such address has changed, by reviewing our filings for the relevant date on the SEC Website):

- Product supplement STEPS-1 dated February 25, 2009:
  http://www.sec.gov/Archives/edgar/data/70858/000119312509037413/d424b5.htm
- Series L MTN prospectus supplement dated April 10, 2008 and prospectus dated May 5, 2006:
  http://www.sec.gov/Archives/edgar/data/70858/000119312508079745/d424b5.htm

Our Central Index Key, or CIK, on the SEC Website is 70858.

We have filed a registration statement (including a product supplement, a prospectus supplement, and a prospectus) with the SEC for the offering to which this term sheet relates. Before you invest, you should read the product supplement, the prospectus supplement, and the prospectus in that registration statement, and the other documents relating to this offering that we have filed with the SEC for more complete information about us and this offering. You may get these documents without cost by visiting EDGAR on the SEC Website at www.sec.gov. Alternatively, we, any agent or any dealer participating in this offering, will arrange to send you the Note Prospectus if you so request by calling MLPF&S toll-free 1-866-500-5408.

Structured Investments Classification

MLPF&S classifies certain structured investments (the "Structured Investments"), including the notes, into four categories, each with different investment characteristics. The description below is intended to briefly describe the four categories of Structured Investments offered: Principal Protection, Enhanced Income, Market Participation, and Enhanced Participation. A Structured Investment may, however, combine characteristics that are relevant to one or more of the other categories. As such, a category should not be relied upon as a description of any particular Structured Investment.

Principal Protection: Principal Protected Structured Investments offer full or partial principal protection at maturity, while offering market exposure and the opportunity for a better return than may be available from comparable fixed income securities. Principal protection may not be achieved if the investment is sold prior to maturity.

Enhanced Income: Structured Investments offering enhanced income may offer an enhanced income stream through interim fixed or variable coupon payments. However, in exchange for receiving current income, investors may forfeit upside potential on the underlying asset. These investments generally do not include the principal protection feature.

Market Participation: Market Participation Structured Investments can offer investors exposure to specific market sectors, asset classes, and/or strategies that may not be readily available through traditional investment alternatives. Returns obtained from these investments are tied to the performance of the underlying asset. As such, subject to certain fees, the returns will generally reflect any increases or decreases in the value of such assets. These investments are not structured to include the principal protection feature.

Enhanced Participation: Enhanced Participation Structured Investments may offer investors the potential to receive better than market returns on the performance of the underlying asset. Some structures may offer leverage in exchange for a capped or limited upside potential and also in exchange for downside risk. These investments are not structured to include the principal protection feature.

The classification of Structured Investments is meant solely for informational purposes and is not intended to fully describe any particular Structured Investment nor guarantee any particular performance.